

**Business Rates
Reoccupation Relief Policy**

1. Introduction and Purpose

The Government announced in the Autumn Statement on 5 December 2013 that it will provide a 50% business rates discount for 18 months for businesses moving into previously empty retail premises between 1 April 2014 and 31 March 2016.

This document provides guidance about the operation and delivery of the policy, including:

- Factors that should be considered when making a decision to award or refuse relief;
- Arrangements to delegate authority to award relief in appropriate circumstances;
- Appeals procedure for customers dissatisfied with the council's decision.

If you would like further advice on the application of the scheme please contact the Business Rates section at businessrates@maidstone.gov.uk

2. How will the relief be provided

As this is a measure for 2014-15 and 2015-16 only, the Government is not changing the legislation around the relief's available to properties. Instead the Government will, in line with the eligibility criteria set out in this guidance, reimburse the council where it uses its discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief.

It is for the council to decide on the scheme it chooses to adopt and decide in each individual case when to grant relief under section 47.

3. Which properties will benefit from the relief

Properties that will benefit from the relief will be occupied properties listed for rating (a hereditament) that:

- When previously in use, were wholly or mainly used for retail;
- Were empty for 12 months or more immediately before their occupation;
- Became reoccupied between the 1 April 2014 and 31 March 2016, with no requirement for that new occupier to use for retail purposes (subject to normal planning controls).

There is no rateable value limit for the property in respect of either the previous or reoccupied use.

4. What is retail use?

The list set out below is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide as to the types of uses that the council considers, for this purpose, to be retail. The council will determine whether particular properties not listed are broadly similar in nature to those below and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed below will not be eligible for the relief.

Premises that were being used for the sale of goods to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

Premises that were being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- DVD/video rentals
- Tool hire
- Car hire

Premises that were being used for the provision of the following services principally to visiting members of the public:

- Financial services (e.g. banks, building societies, bureau de change, payday loan shops, betting shops, pawn brokers)
- Other services (estate agents, letting agents, employment agencies)

Premises that were being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

To qualify for the relief the premises must have been wholly or mainly used for retail. In a similar way to other relief (such as charity relief), this is a test on use rather than occupation. Therefore, premises that are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

5. How much relief will be available

Relief will be available for 18 months from the first day the premises becomes occupied as long as the first day falls between 1 April 2014 and 31 March 2016, subject to the premises remaining continuously occupied.

The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

Under this scheme the relief available for each property is 50% of the business rates liability after any mandatory or other discretionary relief (other than retail relief) have been applied, up to State Aid De Minimis limits. The relief will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

6. State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However Reoccupation Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).

The De Minimis Regulations allow a business to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid.

Where the council makes an award based on an assumption that the undertaking will not been in receipt of more than €200,000 of De Minimis aid, an explanatory note will be provided and the undertaking requested to contact the council where they believe they have may or have reached the De Minimis threshold. In such instances the council reserves the right to withdraw relief.

7. Period of Award and Backdating

This policy applies to the financial years for 2014-15 and 2015-16 only. Where the council has reason to believe (based on the information held) that the criteria for relief has been met, it will make an annual award at the start of each financial year 2014-15 and 2015-16.

Where liability starts, ends or changes part way through a year entitlement to relief will be reviewed in line with the guidance set out above.

The council will not accept any backdated requests for relief beyond the end of financial year for which relief is being claimed.

8. Decision making and appeals

Where the council has reason to believe (based on the information held) that the criteria for relief has been met, it will award relief without the need for an application.

In all other circumstances an application will be required in writing setting out how the criteria for relief have been met.

In the interests of efficiency, the authority to consider applications is delegated to the Revenues Manager, who will ensure that a decision is made and is notified in writing within 21 days of receipt of application or as soon as is reasonably practical thereafter.

Any appeal against the decision to not award relief or against the level of relief must be made in writing within four weeks of notification of the decision.

Authority to determine appeals is delegated to the Head of Revenues and Benefits who will notify the applicant of the final decision in writing within 10 days of receipt of the appeal as to whether an appeal is refused or accepted, with a full explanation of the reasons for the decision.